

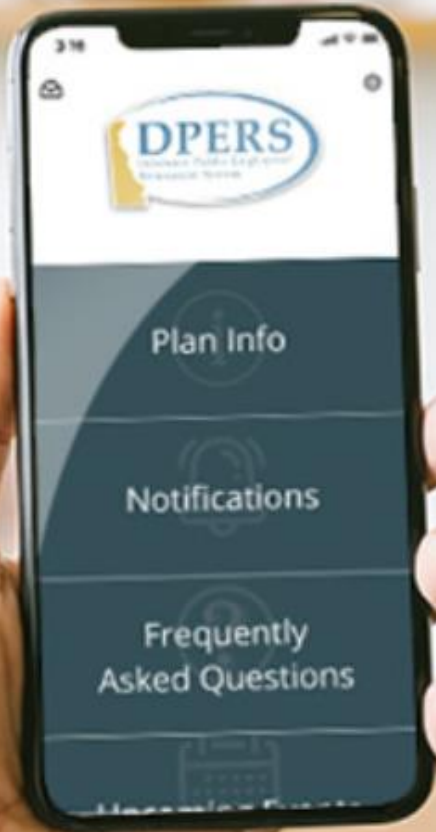
*Delaware Public Employees' Retirement System  
State Employees' Pension Plan*

# Retirement Planning



**Presented by the State of Delaware Office of Pensions**

# ***\*NEW\* DPERS App***



## **Get the NEW DPERS App and stay informed!**

Go to Google Play or the Apple Store and get the new DPERS app. There is Plan Information, Notifications, and even a Count Down to Retirement. Scan the QR Code to get the app.



# *Statistics* (as of 6/30/22)

- 38,885 Retirees (including terminated vested) from all nine plans
  - 34,330 from State Employees' Pension Plan (SEPP)
- 44,817 Active Members in all nine plans
  - 38,206 in SEPP
- Over \$12.3 billion in the Delaware Public Employees' Retirement System (8 pension plans, 1 length of service award plan, 3 post-retirement trusts, 1 investment pool made up of three entities)
  - Assets of \$10.8 billion in SEPP
  - Approximately 88.8% funding ratio for SEPP

# *Pension Contributions*

- First Hired into a Pension Credited Position Prior to 1/1/2012
  - 3% contribution deducted after first \$6000 of earnings each calendar year
- First Hired into a Pension Credited Position on or After 1/1/2012
  - 5% contribution deducted after first \$6000 of earnings each calendar year
- Correctional Officers/Specified Peace Officers
  - 7% contributions
- Employer Contributions
  - FY 2023 – 11.15% of salary

# ***Retirement Eligibility – Unreduced Service Pension***

- First Hired into a Pension Credited Position Prior to 1/1/2012
  - 30 years of pension credited service at any age
  - Age 60 with at least 15 years of pension credited service
  - Age 62 with at least 5 consecutive years of pension credited service
- First Hired into a Pension Credited Position on or After 1/1/2012
  - 30 years of pension credited service at any age
  - Age 60 with at least 20 years of pension credited service
  - Age 65 with at least 10 years of pension credited service (5 years consecutive)
- Correctional Officer/Specified Peace Officer
  - 25 years of pension credited service regardless of age with 20 years as a Correctional Officer/Specified Peace Officer (5 consecutive years)

# ***Retirement Eligibility – Reduced Service/Age Pension***

- 25 years of pension credited service at any age  
**OR**
- Age 55 with at least 15 years of pension credited service
- First Hired Prior to 1/1/2012
  - Reduced 0.2% for each month short of 30 years  
**OR**
  - Reduced 0.2% for each month under Age 60
- Hired on or After 1/1/2012
  - Reduced 0.4% for each month short of 30 years  
**OR**
  - Reduced 0.4% for each month under Age 60

# *Retirement Eligibility – Vested Pension*

- First Hired into a Pension Credited Position Prior to 1/1/2012
  - Must have 5 consecutive years of pension credited service
  - Pension is effective first of the month following 62<sup>nd</sup> birthday
- First Hired into a Pension Credited Position on or After 1/1/2012
  - Must have 10 years of pension credited service  
(5 years must be consecutive)
  - Pension is effective first of the month following 65<sup>th</sup> birthday

# *Unified Pension*

May combine service in the following Pension Plans with service in the SEPP provided not collecting a pension from them

- County & Municipal General Employees'
- New State Police
- County & Municipal Police & Firefighters
- Judicial



# ***Buy-In Options Upon Retirement***

- Approved medical or personal leaves of absence
- Sick Leave
- Actuarial (Ex: Military, Other Governmental)\*

\*Buy-in options must be approved and/or verified by the Office of Pensions prior to retirement

# *Payment For Eligible Buy-In Options*

- Payment for the purchase of an approved buy-in is calculated at the time of the employee's retirement
- Written notification will be mailed directly to the home address the month the retiree will receive their first pension benefit
  - Must be paid prior to issuance of first benefit
- Can be purchased one of three ways:
  - Deducted from first monthly pension, if sufficient to cover the entire cost
  - Personal check
  - Rollover from a qualified tax-sheltered account
    - 401(A), 457(B), 403(B) (under certain circumstances), or an IRA

# *Payment for Leave Accruals*

- You may be entitled to payment for sick and annual leave accruals
- Payment is made by your Organization
- Contact your Human Resources or Payroll representative for entitlement, estimated payoff amount and date to expect payment

# *Who is an Eligible Survivor?*

A survivor is a person eligible to receive a monthly pension at the time of the active member or pensioner's death

- Spouse
- Child/children under age 18, unmarried, and if between the ages of 18 and 22, a full-time student
- Child permanently disabled as a result of a disability that began before the child attained age 18
- Dependent parent(s)

# ***Joint And Survivor Benefit***

- Payable to an eligible survivor
- Election must be made
- One-time irrevocable
- Pensioner's monthly pension reduced for lifetime
  - 50% = No reduction
  - 66.67% = 2% reduction
  - 75% = 3% reduction
  - 100% = 6% reduction


# *Who is a Beneficiary?*

- A beneficiary is named on the Member Actuarial Information form or the Contributory Designation/Change of Beneficiary form and receives a lump sum distribution of the balance of member paid pension contributions, plus interest, in the event there is no eligible survivor at the time of the member's death.

# *Calculating Your Estimated Monthly Pension*

Visit [www.delawarepensions.com](http://www.delawarepensions.com)

State of Delaware Office of Pensions



## Burial Benefits are available to members of four plans.


Please choose your plan to get more information about the available benefits.


[Closed State Police](#)


[County-Municipal Police-Fire](#)


[New State Police](#)

[State Employees' Pension Plan](#)

  
[Pension Calculators](#)

  
[my.Delaware.gov](http://my.Delaware.gov)  
[Comprehensive Annual Statement](#)

  
[Fill out Spousal Coordination of Benefits Form](#)

  
[Retiree Forms](#)

# Pension Calculators

Select an option below:

State Employees  
Hired Before 1-1-2012

State Employees  
Hired After 12-31-2011

Correctional/Specified Peace Officer  
Hired Before 1-1-2012

Correctional/Specified Peace Officer  
Hired After 12-31-2011

911 Operator  
Hired Before 1-1-2012

911 Operator  
Hired After 12-31-2011

State Police

Judicial

County and Municipal  
(General)

County and Municipal  
(Police/Firefighter)

Delaware Volunteer Firemen  
Pension Calculator



## How to retrieve your Comprehensive Annual Statement

To access:

Log into [my.delaware.gov](https://my.delaware.gov)

Click on Annual Statement

Click on Comprehensive Statement

Click on the most recent year

### 1. Enter Combined Highest 3 Year Compensation:

### 2. Enter Creditable Service Prior to January 1, 1997:

### 3. Enter Creditable Service Post 1996:

### 4. Additional Service Beyond Your Annual Statement:

Years  Months

### 5. Your Age at Retirement:

Years  Months

## For Example Only

### COMPUTATION INFORMATION

### BLOCK 4

#### Pension Estimate Computation Formula

##### PART 1 - Calculation for years of service prior to January 1, 1997.

1. Total Compensation----->
- Divided by 36
2. Equals Final Average Compensation----->
- Multiplied by 2.0%
3. Equals Factor 1----->
4. Multiplied by Years of Creditable Service (Pre 1997)----->
5. Equals Estimated Monthly Pension (part 1)----->

1 → \$200,000.00  
\$4,850.94  
2 → 97.02  
2.00  
\$80.85

##### PART 2 - Calculation for years of service post December 31, 1996.

6. Final Average Compensation----->
- Multiplied by 1.85%
7. Equals Factor 2----->
8. Multiplied by Years of Creditable Service (Post 1996)----->
9. Equals Estimated Monthly Pension (part 2)----->

3 → \$4,850.94  
89.74  
21.00  
\$2,243.50

##### PART 3 - Total Estimated Monthly Pension Benefit

10. Part 1 + Part 2 equals Total Monthly Pension Benefit ----->

\$2,324.35

If the increased Survivor Benefit Option is chosen, the computed amount in Item 10 would be reduced.

Block 4 contains a step-by-step calculation of your estimated monthly pension accrued under the Delaware Public Employees' Retirement System based on your service and compensation as of 12/31/2021. This monthly pension does not reflect any reduction for early retirement nor does it indicate your eligibility to collect a monthly pension. Please refer to our website, [www.delawarepensions.com](https://www.delawarepensions.com), for eligibility requirements.

**DISCLAIMER:** This statement represents only an estimate of credited service and potential benefits. None of the information in this estimate has been verified and the Office of Pensions of the State of Delaware makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Actual service credit and benefits will be verified at the time of retirement.

Click "Estimate Pension" to display the Estimated Pension

Estimate Pension

### Estimated Monthly Pension Benefit

*\*\*\* These are for estimation purposes only \*\*\**

50% survivor option

\$2380.56

66% survivor option

\$2332.95

75% survivor option

\$2309.14

100% survivor option

\$2237.73

**You have achieved 15 or more years of service and are at least 55 years of age. You seem to be eligible to retire with a Reduced Age Pension.**

### Estimated Reduced Monthly Pension Benefit

*\*\*\* These are for estimation purposes only \*\*\**

50% survivor option

\$2094.89

66% survivor option

\$2052.99

75% survivor option

\$2032.04

100% survivor option

\$1969.20

**To see a more detailed description of your Pension Estimate [Click Here.](#)**

## Sick Leave Buy-in Option

This is based on 12 Month Employees - 10 Month Employees may not get accurate results

Select the number of hours per week you are:

37.5 Hours Per Week ▾

Hours of Sick Leave at time of Retirement:

1250

**\*NOTE\*** The first 90 Days of the time will be automatically removed from the calculator. Please ensure you enter your TOTAL ESTIMATED SICK HOURS into this calculator for accurate results.

Estimate Sick Leave Buy-in

## Sick Leave Buy-in - Months Available for Purchase:

**Months Available to Purchase:** 3

**Cost to purchase Available Sick Leave:** 833.34

**Increase in Pension Monthly Payment:** 25.69

**Total Pension Monthly Payment with Sick Leave Buy-in:** 2406.25

**Years to Recoup Cost of Buy-in:** 2.70

( Sick Leave Buy-In reflects a NON-REDUCED PENSION )

## Actuarial Buy-in Option

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Select your age at retirement:

55 ▾

Estimate Actuarial Buy-in

### Estimated Cost to purchase 1 Year of Time:

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**Cost to purchase 1 Year of Actuarial Buy-in:** 15519.46

**Increase in Monthly Pension Payment:** 102.78

**Total Pension Monthly Payment with Actuarial Buy-in:** 2483.34

**Years to Recoup Cost of Buy-in:** 12.58

( Actuarial Buy-In reflects a NON-REDUCED PENSION )

Print a complete Estimate Summary based on the data input.

# *Burial Benefit*

- \$7,000 benefit
- No cost to pensioner
- Beneficiary(ies) designation
- Payment is taxable

# *Health Insurance*

- Must be collecting a monthly Pension or LTD benefit
- All plans coupled with prescription plan coverage (except the current State of Delaware Medicare health plan has a non-prescription coverage option).
  - Changes in coverage occur once a year during the open enrollment period in May; changes are effective July 1<sup>st</sup>
  - Medicare–eligible members' open enrollment period occurs in October; changes effective January 1<sup>st</sup>
- Life Changing Event – Changes must be done within 30 days of the event
- If eligible for double state share, please visit the link below for premium information

<https://dhr.delaware.gov/benefits/dss/index.shtml>

# *Health Insurance*

- Health benefits are available with the “State Share” paid by the State of Delaware for members:
  - First hired prior to 7/1/1991
  - Disability Pensioners
  - Members on Long Term Disability

# *Health Insurance*

- For members first hired on or after 7/1/1991 through 12/31/06, the following portion of the “State Share” will be paid by the State of Delaware:
  - Less than 10 years of credited service      0%
  - 10 years – 14 years 11 months      50%
  - 15 years – 19 years 11 months      75%
  - At least 20 years      100%



# *Health Insurance*

- For members first hired on or after 1/1/07, the following portion of the “State Share” will be paid by the State of Delaware:

● Less than 15 years of credited service	0%
● 15 years – 17 years 5 months	50%
● 17 years 6 months – 19 years 11 months	75%
● At least 20 years	100%

# Health Insurance Example

Non-Medicare Rates Effective July 1, 2022			
Coverage	Total Monthly Rate	State Pays	Pensioner Pays
Highmark Delaware Comprehensive PPO Plan			
Individual	\$943.78	\$818.74	\$125.04
<b>Individual &amp; Spouse</b>	<b>\$1,958.44</b>	<b>\$1,698.94</b>	<b>\$259.50</b>
Individual & Child(ren)	\$1,454.52	\$1,261.80	\$192.72
Family	\$2,448.32	\$2,123.92	\$324.40

- Hired on January 1, 1986 – Retiring with 15 Years of Service  
 $(\$1,698.94 * 0\%) \$0 + \$259.50 = \$259.50$  per month
- Hired January 1, 2003 – Retiring with 15 Years of Service  
 $(\$1,698.94 * 25\%) \$424.74 + \$259.50 = \$684.24$  per month
- Hired January 1, 2007 – Retiring with 15 Years of Service  
 $(\$1,698.94 * 50\%) \$849.47 + \$259.50 = \$1,108.97$  per month

# *Medicare Coverage*

- Medicare Part A and Part B enrollment is required for all pensioners and their eligible insured dependents when they attain Medicare eligibility either due to disability or age 65.
- Medicare Part A – Federal Hospital insurance
- Medicare Part B – Federal Medical insurance (doctors, supplies, etc.)
- Medicare Part D – Prescriptions
  - The current State of Delaware Medicare health plan is offered with or without a prescription plan.
  - An individual can only have one Part D enrollment, Tricare coverage is the exception.

\*Contact a Benefits Representative for further details

# *Dental & Vision Insurance*

- Available at retirement
- Automatic payroll deduction

# *Active Member Benefits*

- Securian Financial
  - Available to eligible active members who want to maintain Group Universal Life (GUL) after retirement
  - Premiums must be paid directly to Securian
- Flexible Spending Account (FSA)
  - Per IRS tax code there is no provision for retirees to participate
  - Benefit terminates the effective date of retirement or date of last FSA payroll deduction
- Deferred Comp Accounts
  - Final check is the last time you can contribute to this account

# ***Direct Deposit***

- Mandatory for monthly pension
- Deposited on the last business day of each month

# *Taxes*

- Monthly pension is taxable by the Federal Government
- May or may not be taxable in the State where the retiree maintains permanent residence
- Form 1099-R

# *Payment of Monthly Pension*

- Your first Pension Check will be on a 1-month lag
  - Retire June 1<sup>st</sup> you will receive your first check July 31<sup>st</sup>
  - Double Pay
  - Double Deductions
- Monthly pension is calculated after the receipt of your final pay from your Organization
- Online pay advices
- Post Retirement Increase (PRI)
  - A PRI is a pension increase received after retirement
  - Granted upon Legislative approval
  - 1% was given 1/1/2015
  - \$400 one-time supplement November 2018
  - July 2021 based on Effective Date of Retirement
    - 3% - Prior to 7/1/1991
    - 2% - 7/1/1991 – 6/30/2001
    - 1% - 7/1/2001 – 6/30/2016
  - \$500 one-time supplement November 2021



# ***Working After Retirement***

- Only applies if considering employment with an organization participating in the State Employees' Pension Plan
- Per Delaware statute and IRS guidelines
  - If under age 65 – must have a bona fide separation of at least six months
  - If over age 65 – a bona fide separation is not required
- **EITHER OF THE ABOVE AND**
- Must be in a non-pension covered position
- Earnings limit \$40,000 – Monthly pension offset \$1 for every \$2 earned over the limit

# ***So...Ready for Retirement?***

- Written notification to Supervisor and Human Resources four months prior to retirement
- Please visit our Pathway to Retirement for further details on the Retirement Process  
<https://open.omb.delaware.gov/Path-to-retirement.shtml>
- Member
  - Gathers required personal documents needed for self, spouse and eligible dependent(s) as applicable
    - Birth Verification
    - Signed Social Security Card
    - Marriage Verification
    - Divorce Verification
    - Medicare Card

# *After You Retire*

The Office of Pensions maintains pensioner records

- Updates must be in writing with signature
  - Name
  - Address
- Other personal information
  - Please note if you update your information on your Single Sign On account you must still submit your updates in writing
- Available to answer questions or concerns

# *Contact the Office of Pensions*

The Office of Pensions maintains pensioner records

- Website: [www.delawarepensions.com](http://www.delawarepensions.com)
- Email address: [Pensionoffice@Delaware.gov](mailto:Pensionoffice@Delaware.gov)
  - Phone: (302) 739-4208
  - Toll free: (800) 722-7300
  - Fax: (302) 739-6129
- Office Address: McArdle Building  
860 Silver Lake Blvd, Ste. 1  
Dover, DE 19904-2402